

With Streaming And Sharing, Teens Find Ways Around Paying For Music

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Free online and mobile music streaming encroaches on the “try before you buy” trend

It was once thought that streaming music on the internet, through services like Pandora, gave consumers a chance to “try before they buy” music in either physical or digital formats.

Research from Stage of Life suggests that that trend may be dissipating, however, especially with teens and college students.

According to StageofLife.com, in August, 49% of teens and college-age consumers reported spending zero dollars per month on music. Rather than buying iTunes singles or CDs of even their favorite artists, this age group copies music from friends, downloads free songs from music websites and streams music online.

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AYTM’s survey aligns with Microsoft’s launch of Xbox Music, a service that aims to marry both cloud-based music streaming and digital music downloads. Given the Xbox Music model, AYTM asked questions to gauge consumer interest in a service that marries the Pandora and iTunes concepts. The findings point to a split in consumer interest.

When asked whether they would be interested in signing up for a service that integrated the popular capabilities of these music services, 10% of respondents told AYTM “yes, definitely”; 34% said “yes, probably”; 36% said “no, probably”; 20% said “no, definitely not.”

Only time will tell whether consumers will opt in to a service that brings together the best of both paid downloads and free streaming. It will be especially interesting to note millennial behavior—a core market for the Xbox product. Meanwhile, marketers must keep an eye on the consumer propensity to listen to music at a low price—and younger consumers’ reluctance to pay to listen at all.

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